

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5193-01
Bill No.: HJR 57
Subject: Administrative Rules; Boards, Commissions, Committees, Councils; General Assembly; Constitutional Amendments
Type: Original
Date: February 17, 2014

Bill Summary: This proposes a constitutional amendment relating to the duties of the Joint Committee on Administrative Rules.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0 or (More than \$7,100,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, subsection 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and sections 116.230-116.290, RSMo. SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2015. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled general election

ASSUMPTION (continued)

is in November 2014 (FY 2015). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2015.

Officials at the **Capitol Police**, the **Department of Agriculture**, the **Department of Corrections**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Higher Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Public Safety's Director's Office**, the **Department of Public Safety's Division of Alcohol and Tobacco Control**, the **Department of Public Safety's Division of Fire Safety**, the **Department of Revenue**, the **Department of Social Services**, the **Joint Committee on Administrative Rules**, the **Missouri Department of Transportation**, the **Missouri Highway Patrol**, the **Missouri House of Representatives**, the **Missouri National Guard**, the **Missouri Senate**, the **Missouri Veterans Commission**, the **Office of Administration**, the **Office of the State Auditor**, the **Office of the State Public Defender**, the **Office of State Treasurer** and the **State Emergency Management Agency** each assume there is no fiscal impact to their respective agencies from this proposal.

Officials at the **Office of State Courts Administrator** assume if there is an impact it would be less than \$100,000.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Department of Conservation** assume this proposal would have a negative fiscal impact on Department funds of less than \$100,000 annually as it would adversely impact the Department's regulation process.

In addition, **SOS** states many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The **SOS** is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the **SOS** for Administrative Rules is less than \$2,500. The **SOS** recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the **SOS** also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively

ASSUMPTION (continued)

the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes the agencies will be able to absorb the costs of this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Transfer Out</u> - Secretary of State - reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or <u>(More than \$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL ELECTION AUTHORITIES FUNDS			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$7,100,000	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Upon voter approval, this proposed constitutional amendment specifies that there must be a permanent joint committee on administrative rules, selected by and from the members of each house as provided by law. The committee may employ staff and must meet when necessary to perform its assigned duties. No member of the committee can receive compensation in addition to their salary as members of the General Assembly, but is permitted to receive their necessary expenses while attending the meetings of the committee.

The committee must review all rules promulgated by state agencies and may, by majority vote of its members, recommend that the General Assembly disapprove and annul any rule or portion thereof contained in an order of rulemaking after hearings thereon and upon a finding that such rule or a portion thereof should be disapproved and annulled. If a rule is disapproved by majority vote of the committee it must be held in abeyance and not effective until the conclusion of legislative and judicial action as provided by these provisions. The resolution specifies the grounds upon which the committee may recommend that a rule or portion thereof is not in the public interest or not authorized by the General Assembly.

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FISCAL DESCRIPTION (continued)

The resolution prohibits any order of rulemaking, final order of rulemaking, or portion thereof from taking effect or being published if it was disapproved by a three-fifths majority of the general assembly by concurrent resolution within 30 legislative days occurring during the same regular session. The concurrent resolution must specify the grounds for disapproval and be proceeded upon in the same manner as in the case of a bill, but must not be presented to the governor.

Any person aggrieved by the disapproval of a rule pursuant to these provisions may bring a cause of action for de novo review in a court of competent jurisdiction. The legislative determination must be upheld if there is a rational basis that the rule violates the provisions specified.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

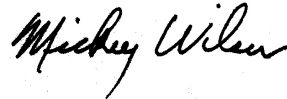
SOURCES OF INFORMATION

Capitol Police
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Public Safety
 Division of Alcohol and Tobacco Control
 Division of Fire Safety
Department of Revenue
Department of Social Services
Joint Committee on Administrative Rules
Missouri Department of Transportation
Missouri Highway Patrol
Missouri House of Representatives
Missouri National Guard

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SOURCES OF INFORMATION (continued)

Missouri Senate
Missouri Veterans Commission
Office of Administration
Office of Attorney General
Office of the Secretary of State
Office of the State Auditor
Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency



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February 17, 2014

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February 17, 2014